



Charles B. Curtis

## Message from the Acting Secretary

It is my pleasure to present the Department of Energy's audited financial statements for fiscal year 1996. The Department has prepared these statements as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 and related central agency guidance. The Office of the Inspector General has conducted an audit of these statements in accordance with generally accepted government auditing standards. This audit resulted in an unqualified opinion. The accomplishments and results achieved during fiscal year 1996 and reflected in these statements have allowed the Department to deliver more quality products and services.

Fiscal Year 1996 marked the second year the Department executed a Performance Agreement with the President. In carrying out the agreement, we continued to advance the nation's priorities and the Administration's commitments in science and technology, national security, environmental quality, and energy resources. The Department continued the difficult task of downsizing through office consolidations, business process reengineering, and elimination of nonessential activities. Building upon past successes, we strengthened nuclear nonproliferation, replaced underground testing with science applications, began the process of understanding and dealing with risks associated with environmental problems resulting from nuclear weapons production during the Cold War, and continued the promotion of secure, clean, and affordable supplies of energy.

The Department continues to move toward more efficient and effective government and has progressed in achieving the \$1.7 billion in savings over five years that we committed to in announcing our Strategic Alignment Initiative in May of 1995. Our efforts to reduce Federal spending through the Strategic Alignment Initiative have resulted in the departure of 1,397 Federal employees (of which 999 occurred during Fiscal Year 1996), the closure of eight field site offices, the vacating of five headquarters office locations, and the consolidation of several programs. The Department has utilized management tools such as buyouts, attrition, outplacement, critical position hiring, and involuntary separations to achieve staffing targets. A review of the Strategic Alignment Initiative, conducted by the General Accounting Office, complimented us on our efforts and savings accomplishments that are being realized ahead of our targets, but encouraged us to exercise diligence and persistence throughout the next four years.

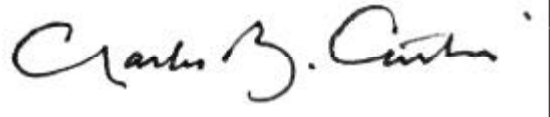
The Department has adopted a policy of openness to better serve the nation and increase confidence in Departmental decisions. Over the past several years, the Department has declassified thousands of documents, many of which have contributed to public discussion of complex issues such as the disposition of plutonium and the ethics of early medical experiments that helped to determine the effects of radiation. The Department has also reduced an extensive backlog of public requests for information.

The future will provide demanding and unprecedented challenges for the Department. I have confidence in our good management team and our dedicated and talented employees who have demonstrated a continued commitment to turn resources into results for a productive future. The Depart-

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ment will continue to be open and collegial to all stakeholders and strive for excellence and efficiency in all programs. By anticipating the need to change and maintaining a commitment to customer service and operational excellence, the Department will be well positioned to address the challenges and opportunities of the future.

A handwritten signature in black ink, reading "Charles B. Curtis", followed by a vertical line.

Charles B. Curtis  
Acting Secretary of Energy